

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

2883

Author:

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Department:

Strategy and Resources

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Subject:

Network Link upgrade to Woodthorpe Grange

Total Value:

£258,900 (Type: Capital and Revenue)

Decision Being Taken:

1. To approve the extension of the Virgin Media network circuits contract in line with the extension options available to 2020 and to include a new high speed 10Gbps circuit to Woodthorpe Grange Disaster Recovery Site (DR) at a cost of £197,000 including rental over 3 years The current contract is a 3+1+1 contract.
2. To grant dispensation, in accordance with Financial Regulation 3.29, from the provision of the Contract Procedure Rules relating to tenders (5.1.2) to enable negotiating the extension of the Virgin Media network circuits contract.
3. To delegate authority to the Head of IT to agree to the extension of the existing Virgin Media network circuits contract by adding the costs of the high speed circuit.
4. To approve the procurement of network hardware to cope with the high speed at a cost of £52,000 and £9,900 maintenance costs over 3 years.
5. To delegate authority to the Head of IT to award the contract for the supply of network hardware to the successful tenderer.

Reasons for the Decision(s)

NCC needs to increase the computer network speed and capacity between Loxley House (LH) and NCC's Disaster Recovery site, Woodthorpe Grange . This is needed because the current network is proving to be increasingly inadequate, hindering IT's ability to provide adequate backup and restore capabilities, and also limiting the opportunities to fully exploit the recent investments made in the technologies at Woodthorpe Grange, such as the new Storage Area Network (SAN).

NCC has made significant investment in storage systems, servers and database technologies. Most of these systems have secondary instances set up at Woodthorpe Grange to enable backup and disaster recovery systems to operate. With sufficiently interconnected datacentres, NCC can take advantage of the technologies that allow both live and backup systems to operate in a synchronised manner. This change will release a portion of the computing capacity currently locked in Woodthorpe Grange to improve the user experience and lengthen the life of the current systems.

The current network link is frequently operating at near or beyond its expected capacity. Usage statistics show a steady increase in requirements and this increasing demand shows no sign of waning. When a network link nears 100% of its expected capacity its starts to lose data packets in transmission, causing poor performance and backup failures.

Currently when IT Services need to complete maintenance or improvement tasks on the network they have to stop the data transmission between Loxley House and Woodthorpe Grange. The new network equipment and configuration proposed will allow maintenance tasks on one channel whilst the other channel continues to support live operations.

NCC's ability to recover from a disaster (e.g. The Loxley House data centre becomes unavailable) is currently limited by the Woodthorpe Grange interconnectivity. Access to critical systems and data held at Woodthorpe Grange will be significantly enhanced if the network link is improved.

To develop equitable charging mechanism for the recovery of network upgrade costs from sites for future network upgrades. The capital funds (£65,000 + £52,000 = £117,000) will be funded by the Storage Area Network (SAN) project, which is a project within the authorised expenditure of the IT Efficiency Fund (ITEF). The revenue expenditure of £142,000 (£132,000 for the circuit + £9,900 for the equipment). Funding the revenue expenses from ITEF is consistent with the decisions made for the initial SAN project funding.

The network equipment will be procured under the normal call-off procurement processes. The extension of the Virgin Media network circuits contract will be made under a Change Control as set under 72 b(i) and (ii) of the Public Contracts Regulation (PCR) 2015. Although over the EU threshold, extending the contract is permissible under the PCR 2015 because of compatibility with existing network circuits provision and because the total purchase value is 10% (£197,000/£1.9m, being the current contract value), which is much less than 50% of the existing contract stipulated under 72 (c) (iii) in PCR 2015.

Briefing notes documents:

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Other Options Considered:

1. Do Nothing. This is considered too high a risk. NCC's data storage and backup requirements are expected continue to increase at the current rates. IT Services will be unable to supply adequate data back up and restore services to the business.

2. Move NCC's Disaster recovery site from Woodthorpe Grange to another location. This was considered, investigated and rejected in 2016. The business case for such a move was not made. In addition, network costs similar to those proposed here would need to be met wherever an alternative disaster site was located.

Background Papers:

Published Works:

Affected Wards:

Citywide

Colleague / Councillor Interests:

Dispensation from Financial Regulations:

Yes

Consultations:

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

There are no known crime and disorder implications for this decision.

Equality:

EIA not required. Reasons: There are no known equality implications for this decision.

Major Implications for IT:

Yes

Decision Type:

Portfolio Holder

Subject to Call In:

Yes

Call In Expiry date:

28/07/2017

Advice Sought:

Legal, Finance, Procurement, IT

Legal Advice:

The decision sought do not give rise to serious legal concerns.

Legal is ready to support IT and Procurement in implementing the decisions. Advice provided by Brian Lewis Stewart (Solicitor) on 15/06/2017.

Finance Advice:

The cost of this decision totals £258,900; made up of £117,000 capital and £141,900 revenue. The latter is over three financial years. All the costs will be funded from the IT Efficiency Fund except where network access upgrades are required by services when there are associated cost savings. An element of the cost savings should cover the circuit upgrade costs. It is crucial that managers are informed at an early stage that they need to factor these costs into their business plans. An appropriate mechanism to transfer budget will also need to be implemented.

The dispensation from contract procedure rules is appropriate in view of the current contractual situation.

Advice provided by Ian Greatorex (Finance Project Manager) on 22/05/2017.

Procurement Advice:

The decision in question is to authorize the extension of an existing contract (in line with the extension options available) to end in 2020 and add on a circuit (via dispensation to award directly to Virgin) to ensure that all the network services are provided by the same contractor and end at the same time. In addition, the hardware and maintenance required to enable the circuit upgrade will be tendered in order to secure best value for the Council and the citizens it represents. On this basis there are no procurement concerns with the approach. Advice provided by Rosalie Parkin (Category Manager) on 21/04/2017. Advice provided by Rosalie Parkin (Category Manager) on 22/05/2017.

IT Advice:

The IT Service supports this proposal.

Woodthorpe Grange hosts the Council's IT disaster recovery (DR) facility. In the last year the Council has implemented new server and storage technology which enable greater capacity and resilience. In order to make full use of these facilities it is necessary to upgrade the network connection between Loxley House, where the main data centre is located, and the DR facility at Woodthorpe Grange. The proposal within this decision allows this upgrade to be made.

Advice provided by Paul J. Burrows (IT Change, Projects & Strategy Manager) on 02/03/2017.

Signatures

Graham Chapman (PH for Resources and Neighbourhood Regeneration)

SIGNED and Dated: 21/07/2017

Candida Brudenell (Corporate Director for Strategy and Resources)

SIGNED and Dated: 21/07/2017

Geoff Walker (Strategic Director Finance/CFO) - Dispensation from Financial Regulations

SIGNED and Dated: 11/07/2017

Chief Finance Officer's Comments: